

**For Courtesy Review by GRRC
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**TITLE 4. PROFESSIONS AND OCCUPATIONS
CHAPTER 46. BOARD OF APPRAISAL**

ARTICLE 1. GENERAL PROVISIONS

R4-46-701 Definitions:

1. APPRAISAL MANAGEMENT SERVICES means the process of receiving a request for the performance of real property appraisal services from a client, and for a fee paid by the client or appraiser, entering into an agreement with one or more independent appraiser who are part of an appraiser panel or database to perform the real property appraisal services contained in the request.

In these rules, unless the context otherwise requires:

R4-46-702 Registration

A. Registration applications shall be written and on forms provided by the Board and accompanied by certifications that include, at a minimum, the following information:

(1) The name, business address, telephone contact, and the e-mail address of the person (entity) seeking registration plus the designation of an agent for service of process as follows:

a. An in-state appraisal management company, (Domestic) shall designate an agent for service of process in this state.

b. A foreign appraisal management company (Non-resident) shall provide either a certificate of authority issued by the Secretary of State or a copy of the company's filing with the Secretary of State appointing an agent for service of process in this state.

c. The physical and mailing addresses, phone numbers, and email addresses for the principal office and all branch offices conducting business .

(2) The name, residential address, business address, day-time telephone number and email address for all individuals/entities (including stockholders) who own 10% or more of the appraisal management company.

(3) The name, residential address, business address, day-time telephone number and email address for all individual(s) authorized by the appraisal management company to contract with clients or independent appraisers for the performance of appraisals.

(4) The application shall include proof of a valid surety bond in the amount of \$20,000 and shall meet the additional specifications in R4-46-704. The surety bond shall indemnify the Arizona Board of Appraisal, panel appraisers, and public claimants. The bond shall be maintained to the original amount of \$20,000 within seven (7) business days of being drawn down and shall be maintained for at least one year after an Appraisal Management Company's registration is terminated, canceled, revoked or otherwise ends.

(5) An application fee in the amount stipulated on the form and as provided for in the rule.

(6) On applications for registration and annually thereafter, applicants and registrants shall make the following certifications:

a. That the applicant/registrant has a system in place to verify that all Arizona appraisers on its panel have a current and valid license or certificate in good standing issued by the Arizona Board of Appraisal.

- 49 **b.** That the applicant/registrant has a system in place to periodically review the work of
50 all independent appraisers performing appraisal services for the Appraisal Management
51 Company and that the services are conducted in conformity with the Uniform Standards
52 of Professional Appraisal Practice. These reviews shall be completed as Standard 3
53 Reviews by certified Arizona appraisers with geographic competency. The Board
54 reserves the right to inspect the policy, review log and the appraiser panel records upon
55 written request.
- 56 **c.** That the applicant/registrant shall maintain a record of each request for appraisal
57 services applicable to Arizona properties as well as the name of the appraiser performing
58 the appraisal service and the fee paid to the appraiser. Such records shall be made
59 available to the Arizona Board of Appraisal upon written request by the Board.
- 60 **d.** That the applicant/registrant has designated a controlling person and that individual
61 has accepted the responsibilities as the controlling person.
- 62 **e.** That the applicant/registrant has a system in place to train those who select individual
63 appraisers for real property services in this state, to ensure that the selectors have
64 appropriate training in placing appraisal assignments.
- 65 **f.** That there are no unpaid invoices or accounts payable to Arizona licensed or certified
66 appraisers for services received that are over 45 days past due at the time of certification.
- 67 **g.** That the AMC shall adhere to A.R.S. §32-3675.
- 68 **(7)** Any other information required by the Board deemed reasonable in scope and content
69 and necessary for the implementation and administration of the statutes and rules.
- 70 **B.** An Appraisal Management Company which operates in this state under more than one business
71 name (dbas or “doing business as”) shall apply for registration with the Board for each name under which it
72 does business.
- 73 **C.** An appraisal management company having been issued a valid registration shall comply with the
74 following:
- 75 **1.** Shall maintain with the Board the name and address of a registered agent for service of
76 process and shall furnish in writing to the Board any changes to the information on file
77 within 5 business days.
- 78 **2.** An Appraisal Management Company shall maintain a complete record of all requests
79 for appraisal services referred to state licensed and certified appraisers, the amount of
80 fees collected from clients, as well as payments made to the appraisers and shall make
81 such information available to the Board upon written request.
- 82 **3.** The applicant/registrant shall make available to the Board any and all records that are
83 required to be kept or records deemed by the Board to be pertinent to an investigation of
84 a complaint against an applicant/ registrant.
- 85 **4.** The registered entity shall designate a controlling person responsible for ensuring
86 compliance with all statutes and rules and shall file with the Board a certification
87 identifying the controlling person and that individual’s certification accepting
88 responsibilities as the controlling person.
- 89 **5.** A registrant shall notify the Board in writing within 5 business days of any change in
90 its designated controlling person or the controlling person’s contact information.
- 91 **6.** All records required to be maintained under these rules shall be retained for five years
92 and for two additional years after the conclusion of any judicial proceeding or litigation
93 involving the matter.

94 7. At any time a document filed with the Board becomes inaccurate the
95 applicant/registrant shall promptly file with the Board an amendment correcting that
96 information within 10 business days.

97 8. The registrant shall disclose to an appraiser within their engagement documents
98 verification of the State Registration number of the appraisal management company.

99 9. The registrant shall not attempt to coerce, directly or indirectly the appraiser to accept
100 an assignment if the appraiser states that he/she lacks competency or lacks geographic
101 competency to complete the appraisal assignment and the registrant shall in no way
102 penalize the appraiser by reducing the number of assignments made to that appraiser,
103 refusing to pay fees owed or imposing any other penalty.

104 10. A registrant shall, at all times, maintain a current list of their appraisal panel and
105 shall provide a copy of that list to the Board upon written request.

106
107 **R4-46-703 Exemptions**

108 A. Attorneys or other persons or entities not involved in appraisal management as described herein
109 and who may order appraisals from independent appraisers from time to time for use in litigation, judicial
110 process, and other specific use shall be exempt.

111
112 **R4-46-704 Fee; Bond**

113
114 A. The fee for initial registration shall be \$2,500 regardless of the number of appraisers on the
115 appraiser panel. The two year renewal registration fee shall be \$2,500 regardless of the number of
116 appraisers on the appraiser panel.

117 B. Registration fees shall be deposited into the Board's general fund and pursuant to A.R.S. §35-146
118 and §35-147, the Board shall deposit 10 percent of the monies in the state general fund and deposit the
119 remaining 90 percent in the Board of Appraisal Fund. All monies deposited in the Board of Appraisal
120 fund are subject to section §35-143.01.

121 C. Application fees are not refundable.

122 D. Each applicant/registrant shall maintain a valid surety bond in the amount of \$20,000 and submit
123 proof of such bond at the time of initial application, upon renewal, upon maintaining the bond
124 after a draw-down and at any time requested to do so by the Board in addition to the requirements
125 of R4-46-702(B)(4):

126 1. The bond shall be in favor of the State Board of Appraisal for the benefit of the State Board,
127 appraiser panel members or public claimants. The bond is subject to claims by the Board for
128 failure of an Appraisal Management Company to comply with the financial obligations set forth in
129 A.R.S. §32-3662 *et seq.* and the rules promulgated pursuant thereto or by any person who is
130 damaged by the failure of the principal to provide appraisal management services.

131 2. On receipt by the Board of notice of intent to cancel a bond by a corporate surety, the Board
132 shall immediately notify the principal of the bond of the effective date of the cancellation and that
133 the principal shall furnish a like bond before the cancellation date or within seven (7) business
134 days after mailing the notice by the Board or the Board may pursue disciplinary action against the
135 principal of the bond. Principal shall maintain or replace the bond to \$20,000 after each draw
136 down and bond shall remain in effect for the life of the registration and for one year after
137 expiration, revocation, surrender, or cessation of business by the AMC.

- 138 3. At the time of initial registration or renewal registration the bond shall be prepaid for one (1)
139 year and continually prepaid in one (1) year increments thereafter.
- 140 **E.** In the event that a registered Appraisal Management Company changes the name under which it
141 conducts business in Arizona, the Appraisal Management Company shall:
- 142 1. Maintain the \$20,000 surety bond under the former name of the Appraisal Management
 - 143 Company for one year from the effective date of the name change.
 - 144 2. Obtain a \$20,000 surety bond under the new name of the Appraisal Management Company
 - 145 pursuant to the requirements of paragraph A.
 - 146

147 **R4-46-705 Owner Requirements**

- 148 **A.** An appraisal management company applying for registration may not be owned by a person or
149 have any principal of the company who has had any financial, real estate or mortgage lending industry
150 license or certificate refused, denied, canceled, revoked or voluntarily surrendered in this state or in any
151 other state. This requirement may be waived by appeal and at the discretion of the Board
- 152 **B.** An Appraisal Management Company whose owner(s) or principal(s) have had a financial,
153 appraisal, real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked
154 or voluntarily surrendered, in this state or any other state are not prohibited from seeking registration in this
155 state. The Board shall consider the following factors when determining whether such an Appraisal
156 Management Company may be granted registration in this state:
- 157 1. The facts underlying the refusal, denial, cancellation, revocation or voluntary surrender of the
 - 158 license or certificate.
 - 159 2. Whether the refusal, denial, cancellation, revocation or voluntary surrender of the license or
 - 160 certificate involved findings of relating to fraud, dishonesty, misrepresentation, or deceit on the
 - 161 part of the license/certificate holder.
 - 162 3. The length of time that has elapsed since the refusal, denial, cancellation, revocation or
 - 163 voluntary surrender of the license or certificate.
 - 164 4. Any efforts undertaken by the owner/principal to rehabilitate himself/herself and make
 - 165 restitution to the any victims, if applicable.
 - 166 5. Other factors in mitigation or aggravation deemed relevant by the Board.
- 167 **C.** Each person who owns, is an officer of, or has a financial interest of 10% or more, including
168 stockholders, in an appraisal management company applying for registration in this state shall:
- 169 1. Be of good moral character.
 - 170 2. Submit to a background investigation. The background investigation shall include:
 - 171 a) Department of Public Safety fingerprint check
 - 172 b) FBI background check
 - 173 c) Search of participating states for AMC license revocation, suspension, or other action
 - 174 d) Search of the National Registry Database for negative action regarding an appraisal
 - 175 license or certification
 - 176 e) Search of any Federal Databases that may result from future Federal legislation
 - 177 enacted.
- 178 **D.** The Board shall conduct the searches for participating state AMC registration and licensing checks
179 through the National Registry, or other venues as directed by the Board.
- 180 **E.** The FBI background check and DPS fingerprint check are to be initiated and paid for by the
181 applicant at the direction of the Board of Appraisal with the results to be sent directly to the Board of
182 Appraisal from DPS and the FBI.
- 183

184 **R4-46-706 Controlling Person**

- 185 A. The Appraisal Management Company's controlling person shall:
- 186 1. Certify to the Board that the person has never had any financial, appraisal, real estate or
- 187 mortgage lending industry license or certificate issued by this state, or any other state, refused,
- 188 denied, canceled, revoked or voluntarily surrendered. This requirement may be waived by
- 189 appeal and at the discretion of the Board.
- 190 2. Submit to a background investigation as determined by the Board in accordance with R4-
- 191 46-704B.
- 192 3. Be of good moral character.
- 193 B. An Appraisal Management Company whose designated controlling person had a financial, appraisal,
- 194 real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked or
- 195 voluntarily surrendered, in this state or any other state are not prohibited from seeking registration in this
- 196 state. The Board shall consider the following factors when determining whether such an Appraisal
- 197 Management Company may be granted registration in this state:
- 198 1. The facts underlying the refusal, denial, cancellation, revocation or voluntary surrender of
- 199 the license or certificate.
- 200 2. Whether the refusal, denial, cancellation, revocation or voluntary surrender of the license
- 201 or certificate refusal, denial, cancellation, revocation or voluntary surrender of the license or
- 202 certificate.
- 203 3. Findings of fraud, dishonesty, misrepresentation, or deceit on the part of the
- 204 license/certificate holder.
- 205 4. The length of time that has elapsed since the refusal, denial, cancellation, revocation or
- 206 voluntary surrender of the license or certificate.
- 207 5. Any efforts undertaken by the owner/principal to rehabilitate himself/herself and make
- 208 restitution to the any victims, if applicable.
- 209 6. Other factors in mitigation or aggravation deemed relevant by the Board.

210

211 **R4-46-707 Employee Requirements**

212 An Appraisal Management Company shall require that all employees of an Appraisal Management

213 Company, or any person working on behalf of an appraisal management company, who have the

214 responsibility of selecting independent appraisers for the performance of real property appraisal services for

215 the appraisal management company or providing administrative appraisal review services on a completed

216 appraisal, be appropriately trained and qualified in compliance with the statutes and rules. The training

217 may consist of courses prepared by qualified and recognized educators or may be written by the Appraisal

218 Management Company and shall be repeated and updated as deemed necessary by the Appraisal

219 Management Company. The class may consist of courses prepared by qualified and recognized educators

220 or may be written by the entity itself but in either case, shall be developed, implemented and delivered

221 within 6 months of an appraisal management company's registration approval. Criterion for the training

222 shall include:

- 223 1) USPAP overview
- 224 2) The Appraisal Process
- 225 3) Scope of Work
- 226 4) Complexity of various assignments
- 227 5) Competency in product type and geographic location
- 228 6) Understanding scope of work for each license or certification level

229

230 **R4-46-708 Annual Certifications**

231 A. Each Appraisal Management Company registered in this state shall certify to the Board on an
232 annual basis all certifications as stated in R4-46-702(B)(6).

233

234 **R4-46-709 Appraiser Independence; Prohibitions**

235 A. An Appraisal Management Company shall not provide to an independent appraiser an anticipated,
236 estimated, encouraged or desired value for a subject property or a proposed or target amount to be loaned to
237 the borrower, except that a copy of the sales contract for purchase transaction may be provided. "Owner's
238 estimates of value" or other value opinions may not be included on any forms or communications sent by
239 Appraisal Management Company to the appraiser.

240 B. The registrant shall not permit any employee, agent, third party, or controlling principal to engage in
241 any of the following activities:

242 1) The registrant shall not require the appraiser to collect the appraisal fee from a borrower,
243 homeowner, or third party.

244 2) The appraiser shall not be required to provide the registrant with the appraiser's digital
245 signature or seal.

246

247 **R4-46-710 Payment**

248 A. Except in cases of breach of contract or substandard performance of services, each appraisal
249 management company shall make timely payment to an independent appraiser for the completion of an
250 appraisal or valuation assignment within forty-five days after the date on which the independent appraiser
251 transmits or otherwise provides the completed appraisal or valuation study to the appraisal management
252 company or its assignee. Failure to remit timely payment timely may be grounds for disciplinary action by
253 the Board up to and including the assessment of civil penalties, suspension or revocation of the Appraisal
254 Management Company's registration.

255 B. "Completed appraisal" means delivery of the signed appraisal report to the Appraisal Management
256 Company. Subsequent requests by the Appraisal Management Company to the appraiser for additional
257 support of valuation or correction of factual and objective data shall not extend the payment date beyond 45
258 days from delivery of assigned appraisal.

259 C. An Appraiser shall comply with an Appraisal Management Company's request for additional data
260 support of estimate of value or correction of factual and objective data errors within 3 business days of the
261 request or as otherwise agreed upon in writing by both parties.

262

263 **R4-46-711 Appraisal reports; alterations; use**

264 A. The registrant shall not alter, amend or change an appraisal report submitted by a licensed or
265 certified appraiser in any way except as may be required by federal law or national reporting requirements.

266

267 **R4-46-712 Enforcement; Grounds for disciplinary action**

268 A. The Board may censure an appraisal management company, conditionally or unconditionally
269 suspend or revoke any registration issued under this article or impose civil penalties not to exceed fifteen
270 thousand dollars (\$15,000) per violation if, in the opinion of the Board, an appraisal management company
271 is attempting to perform, has performed or has attempted to perform any of the following acts:

272

1. Committing any act in violation of applicable statutes.

- 273 2. Violating any rule adopted by the Board in the interest of the public and consistent with this
274 article.
- 275 3. Violating any order of the Board or refusing to comply with a Board subpoena.
- 276 4. Making any false or misleading statement.
- 277 5. Suppressing or withholding from the board any information that the applicant possesses and
278 that, if submitted by the applicant, would have rendered the applicant ineligible to be registered
279 pursuant to rules adopted by the board.

280

281 **R4-46-713. Complaints; Investigations; Informal Proceedings; Refusal to Appear**

282 **A. Complaints**

283 1. The Board shall investigate a written complaint, including an anonymous complaint or a
284 complaint made on the Board's own motion, against an Appraisal Management Company alleging
285 violations of A.R.S. Title 32, Chapter 36, or this Chapter, if the complaint provides information
286 that meets the minimum criteria. Minimum criterion for a complaint includes but is not limited to:

- 287 a. The name of the respondent/Appraisal Management Company against
288 whom allegations are being made;
- 289 b. The action that is the basis of the complaint;
- 290 c. The time-frame in which the action occurred;
- 291 d. Each violation alleged to have been committed by the respondent; and
- 292 e. A copy of the report, if the complaint includes allegations concerning an appraisal or
293 consulting assignment.

294 2. Upon receipt of a complaint:

- 295 a. Board staff shall review the complaint and determine, in consultation with Board
296 counsel if necessary, whether the complaint meets jurisdictional criteria.
- 297 b. Within 14 days after receipt of a complaint the Board shall notify the respondent, as
298 prescribed in A.R.S. § 41-1092.04, of the complaint and the requirement that the
299 respondent file a written response within 30 days from the date on the notice. The Board
300 shall provide a copy of the complaint with the notice and request that the respondent
301 address the issues in the complaint. If relevant to the allegations contained in the
302 complaint, the Board shall also require that the respondent provide all of the following to
303 the Board: the appraisal report, appraisal review, or consulting assignment, and the work
304 file, or any other documents or business records of the respondent relating to the
305 complaint.
- 306 c. If the respondent requests more time to respond, the Board shall grant a single
307 extension of time that does not exceed 30 days.

308 **B. Initial Review and Investigation**

309 1. Within 90 days after receipt of a response or expiration of the time for response, the Board shall
310 conduct an initial Review of the matter to determine whether further investigation is necessary. If

311 the Board determines further investigation is necessary, the Board may employ or assign an
312 investigator or investigators and shall notify the respondent of the pending investigation.

313 2. If a respondent's name is placed on a public meeting agenda, the Board shall mail a letter to
314 the respondent not less than seven days before the scheduled meeting, providing the respondent
315 with a copy of the posted notice of the public meeting.

316 3. If the respondent is present they may participate in the initial review. A respondent may refuse
317 to participate in the initial review. The Board may use any Information presented at the initial
318 review in other proceedings related to the complaint.

319 4. At the initial review, the Board shall consider the complaint; any response; the appraisal report,
320 appraisal review, consulting assignment, and the work file when applicable. Based upon the
321 information reviewed, the Board may dismiss the matter, request or subpoena additional
322 information, order a limited or full investigation, or invite the respondent to an informal hearing,
323 based on the information reviewed.

324 5. Board staff may assign each investigator according to the investigator's experience, expertise,
325 contract terms, and availability. Board staff shall select an investigator who does not have a
326 business or familial relationship with the respondent. Each investigative report shall contain the
327 signed certification specified in subsection (B)(6). An investigator's draft report is considered
328 work product and is, therefore, confidential. The Board may ask for clarification or additional
329 information after review of a draft report. Upon acceptance by the Board, an investigative report is
330 considered final. The Board may adopt any or all of the findings in the final report at a public
331 meeting and may consider any additional, relevant information that is discovered before the matter
332 is resolved. The investigative report becomes a nonconfidential public document upon resolution
333 of the complaint.

334 6. When the Board orders an investigation, the following certification shall be included in every
335 investigative report prepared for the Board and signed by the investigator: " I certify that, to the
336 best of my knowledge and belief:

337 a. The statements of fact contained in this report are true and correct.

338 b. The reported analyses, opinions, and conclusions are limited only by the reported
339 assumptions and limiting conditions, and they are my personal, impartial and unbiased
340 professional analyses, opinions, conclusions, and recommendations.

341 c. I have no present or prospective interest in the property that is the subject of this
342 investigation, and I have no personal interest with respect to the parties involved in this
343 investigation.

344 d. I have no bias with respect to any property that is the subject of this investigation or to
345 the parties involved in this investigation.

346 e. My engagement for this investigation was not contingent upon developing or reporting
347 any predetermined result or outcome.

348 f. My compensation for this investigation is not contingent upon developing or reporting
349 any predetermined result or outcome, nor have I been instructed as to any predetermined
350 result or outcome by the Board, the Board staff, or other parties.

351 g. I have (or have not) made a personal inspection of the property that is the subject of
352 this investigation.”

353 **C.** Settlement. Any time after a complaint has been filed against a respondent, the matter may be
354 resolved by a settlement in which the respondent agrees to accept disciplinary or remedial action by
355 consent. If the Board determines that the proposed settlement will adequately protect the public, the Board
356 may enter into a consent agreement with the respondent. A statement made for the purpose of settlement is
357 not admissible in a formal hearing.

358 **D.** Informal Hearing; Disciplinary Action

359 1. If, based on the initial review or its review of the investigative report, the Board determines that
360 the respondent is or may be in violation of the Board’s statutes or rules, the Board may request a
361 voluntary informal hearing with the respondent. The Board shall provide the respondent with a
362 copy of any final investigative report in the matter, any supporting documentation, and notice of
363 the date, time, and location of the informal hearing, as prescribed in A.R.S. § 41-1092.04, at least
364 30 days before the informal hearing. The notice of informal hearing shall include all of the
365 following:

366 a. A statement of the matters asserted and issues involved;

367 b. Any request for additional information needed by the Board to prepare for the hearing;

368 c. An explanation of the respondent’s right to appear voluntarily with or without legal
369 counsel who is admitted to practice law in the State of Arizona. Pursuant to Rule 31 of
370 the Arizona Rules of the Supreme court, a natural person may appear at an administrative
371 proceeding with or without the assistance of counsel. However, any legal entity
372 (Corporations, LLC, Partnership etc) must appear only through the representation of an
373 Arizona licensed attorney.

374 d. An explanation of the respondent’s right to a formal hearing under R4-46-714.

375 2. The Board shall provide a copy of the informational material “Introduction to Informal
376 Hearing,” which explains the rights and responsibilities of the Board and respondent during the
377 informal hearing. (A copy is also available at the Board office).

378 3. The respondent may request and the Board may grant a continuance upon a showing of good
379 cause. During the informal hearing the Board shall swear witnesses, question the respondent and
380 witnesses, and deliberate. The respondent may respond to the Board’s questions, present
381 witnesses, and ask questions of the Board and all witnesses regarding the matter before it.

382 4. If the Board finds a violation of the statutes or rules, but the violation is not of sufficient
383 seriousness to merit suspension or revocation, it may offer a consent agreement including an order
384 of censure or order of discipline that sets a time period and terms of probation sufficient to protect

385 the public welfare and safety and rehabilitate respondent. The Board may require the terms of
386 probation to include, but not be limited to:

- 387 i. Training or education;
- 388 ii. Enhanced reporting requirements; or
- 389 iii. Other reasonable measures designed to protect the public and educate or rehabilitate
390 the respondent.

391 5. For any Board action other than a letter of concern or a letter of remedial action, the Board shall
392 request that the respondent sign a consent agreement, which may include findings of fact and
393 conclusions of law, depending on the severity of the violation, but shall identify and explain each
394 violation found. If the respondent is aggrieved by the Board's decision to issue a letter of remedial
395 action, the respondent may request a formal hearing in writing, within 30 days from the date the
396 written notice of the outcome of the informal hearing is received.

397 6. In resolving a complaint, the Board shall consider mitigating and aggravating circumstances,
398 including but not limited to:

- 399 a. Whether a violation is intentional;
- 400 b. Whether the respondent has a prior disciplinary history;
- 401 c. The time that has elapsed since the violation, and any prior violation;
- 402 d. Whether any prior violation is similar to the present violation;
- 403 e. Whether the respondent has taken courses or enacted other measures after a violation
404 to prevent future violations.

405 **E. Summary Suspension.** If the Board finds that the public health, safety, or welfare imperatively
406 requires emergency action, and incorporates a finding to that effect in its order, the Board may order a
407 summary suspension pending proceedings for revocation or other action. If an order of summary
408 suspension is issued, the Board shall serve the respondent with a written notice of summary suspension and
409 formal hearing, listing the charges against the respondent and setting the date for the formal hearing as soon
410 as is reasonably possible, but in no event more than 60 days from service of the written notice.

411 **F. Refusal to Appear.** A respondent may refuse a request to appear at an informal hearing. If the
412 respondent refuses to appear or does not appear, the Board may schedule the matter for a formal hearing.

413 **G. 12-Month Review.** If a matter is not resolved within 12 months from receipt of the response, the
414 Board shall schedule the matter for review at each regularly scheduled Board meeting to determine whether
415 good cause exists to continue the investigation. If, after completing its investigation, the Board finds that
416 further action against the respondent is not warranted, the Board shall dismiss the matter.

417

418 **R4-46-714 Formal Hearing Procedures**

419 **A.** The Board shall issue a notice of hearing and formal complaint for formal disciplinary
420 proceedings if:

- 421 1. After an informal hearing, the Board determines that censure, the assessment of civil
422 penalties, suspension or revocation may be warranted;
- 423 2. After an informal hearing, the respondent refuses to sign a consent agreement offered
424 by the Board; or
- 425 3. After completing its investigation, the Board finds that censure, the assessment of civil
426 penalties, suspension or revocation may be warranted.
- 427 **B.** Except as provided in R4-46-713(E), the Board shall provide notice of a formal hearing to a
428 respondent at least 30 days before the date set for the hearing. The Board shall notify the respondent by
429 certified mail to the statutory agent or the controlling person designated by the Appraisal Management
430 Company. Unless otherwise specified, any notice provided for in these rules is complete upon deposit in
431 the U.S. mail or by service as permitted under A.R.S. § 41-1092.04.
- 432 **C.** On its own motion or the motion of a party, the Board may hear a case or have the case heard by
433 an administrative law judge. The Board may accept, reject, or modify the administrative law judge's
434 recommended decision as prescribed by A.R.S. § 41-1092.08, and shall issue a final order.
- 435 **D. Board Hearings**
- 436 1. The Board may conduct a hearing without adherence to the rules of evidence used in
437 civil proceedings. The Board shall include the respondent's application and disciplinary
438 records as evidence in the hearing record.
- 439 2. In all hearings required or permitted by statute, order of the Board, or these rules, the
440 party seeking relief has the burden of proof and will present evidence first.
- 441 3. The Board shall conduct each formal hearing according to A.R.S. Title 41, Chapter 6,
442 Article 10.
- 443 **E.** If a party fails to appear for a formal hearing without good cause, the Board shall act upon the
444 evidence without further notice.
- 445 **F.** The Board shall make and keep a record of the hearing and, in the case of disciplinary hearings or
446 if requested by a party or ordered by the Board, a transcript shall be prepared and filed with the Board. If
447 the transcript is prepared at the request of a party, the party making the request shall pay for the cost of the
448 transcript, unless the Board, for good cause shown waives assessment of this cost.
- 449 **G.** A party may request and the Board may grant a continuance of a hearing date or any other
450 deadline imposed by these rules upon a showing of good cause.

451

452 **R4-46-715. Rehearing or Review of the Board's Decisions**

453 **A.R.S. § 32-3679**

454

- 455 **A.** Any party in a contested case or appealable agency action before the Board may file a motion for
456 rehearing or review within 30 days after service of the final administrative decision. Service is complete
457 upon personal service or five days after the date the decision is mailed by certified mail to the party's last
458 known address of record or to the statutory agent or controlling person as designated by the Appraisal

459 Management Company. The party shall attach a full supporting memorandum specifying the grounds for
460 the motion.

461 **B.** The opposing party may file a response within 15 days after service of the motion for rehearing or
462 review, or by a date ordered by the Board, whichever is later. The party shall support the response with a
463 memorandum discussing legal and factual issues.

464 **C.** Either party may request or the Board may order oral argument.

465 **D.** The Board may grant rehearing or review for any of the following causes materially affecting a
466 party's rights:

467 1. Irregularity in the administrative proceedings of the Board or any other abuse of discretion
468 which deprived the moving party of a fair hearing;

469 2. Misconduct of the Board or any party;

470 3. Accident or surprise which could not have been prevented by ordinary prudence;

471 4. Newly discovered material evidence which could not with reasonable diligence have been
472 discovered and produced at the original hearing;

473 5. Excessive or insufficient sanction;

474 6. Error in the admission or rejection of evidence or other errors of law at the administrative
475 hearing or during the progress of the proceedings or;

476 7. Unjustified decision based upon the evidence, or a decision that is contrary to law.

477 **E.** The Board may affirm or modify the decision or grant a rehearing to any party on all or part of the
478 issues for any of the reasons set forth in subsection

479 **D.** An order modifying a decision or granting a rehearing shall specify with particularity the grounds
480 for the order. The rehearing, if granted, shall be limited to matters specified by the Board.

481 **F.** Not later than 30 days after a decision is rendered, the Board may order a rehearing or review on
482 its own initiative, for any reason which it might have granted relief on motion of a party.

483 **G.** When a motion for rehearing or review is based upon affidavits, they shall be served with the
484 motion. An opposing party may submit opposing affidavits with the response. Reply affidavits may be
485 permitted.

486

487 **R4-46-716. Conviction and Judgment Disclosure**

488 **A.R.S. § 32-3679**

489

490 **A.** When an officer, principal, controlling person, or owner of an Appraisal Management Company is
491 convicted of any act which is or would be punishable as a felony, crime involving moral turpitude, or any
492 crime which is substantially related to the respective qualifications, functions, and duties of an Appraisal
493 Management Company, the Appraisal Management Company shall notify the Board within 20 days of
494 entry of a plea of guilty or conviction.

495 **B.** When a civil judgment based on fraud, misrepresentation, or deceit is entered against an officer,
496 principal, controlling person, or owner of an Appraisal Management Company, the Appraisal Management
497 Company shall notify the Board within 20 days of entry of judgment.

498

499 **R4-46-717 Terms and Conditions of Reapplication After Revocation**

500 **A.** An Appraisal Management Company which reapplies after revocation of a registration shall
501 submit an application for registration consistent with these rules. The applicant shall attach substantial
502 evidence to the application that the issuance of a registration will no longer constitute a threat to the public
503 welfare and safety.

504 **B.** The Board shall make a determination of each application that is consistent with the public safety
505 and welfare.

COURTESY REVIEW COPY